

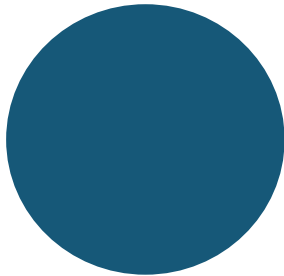
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Outline



Business Updates & Strategy

2021 Q1 Updates



COVID 19in



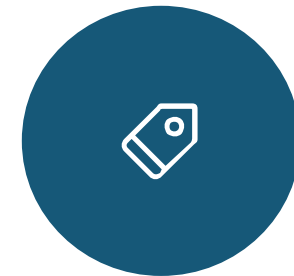
NewCustomers

World economies are recovering from COVID 19 and thus demand for high quality casting increase as well. New customers are developed in all sectors, including Emerson of Germany



Record Breaking 2021 Q1

Q1 shipment reached 45,622 tons
Q2 shipment targets 47,500
50,000 tons



Raw Material Increase & Price Adjustment

Around 57 customers with annual revenue more than 1 million NID
51 customers have agreed to price adjustments, the others are still in discussion

**Timeline: Construction started in 2020
targeting trial production by Q2 2022**

Capacity: 80,000 100,000 tons/year

45K by 2023, 60K by 2024, 80K by 2025

Advantages

Customers nearby (Siemens/MOW)

Localization requirements

Proximity to harbor

Government incentives

Received Construction License in mid January 2021.

Construction underway per original plans



Thailand Construction Starts in H2 2021

Construction starts in 2021. Production to begin in 2023

**Phase 1: 60,000 tons/year capacity
Onshore Wind, Plastic/Industrial
machineries**

Advantages

**968,000m² site with industrial
development potential.**

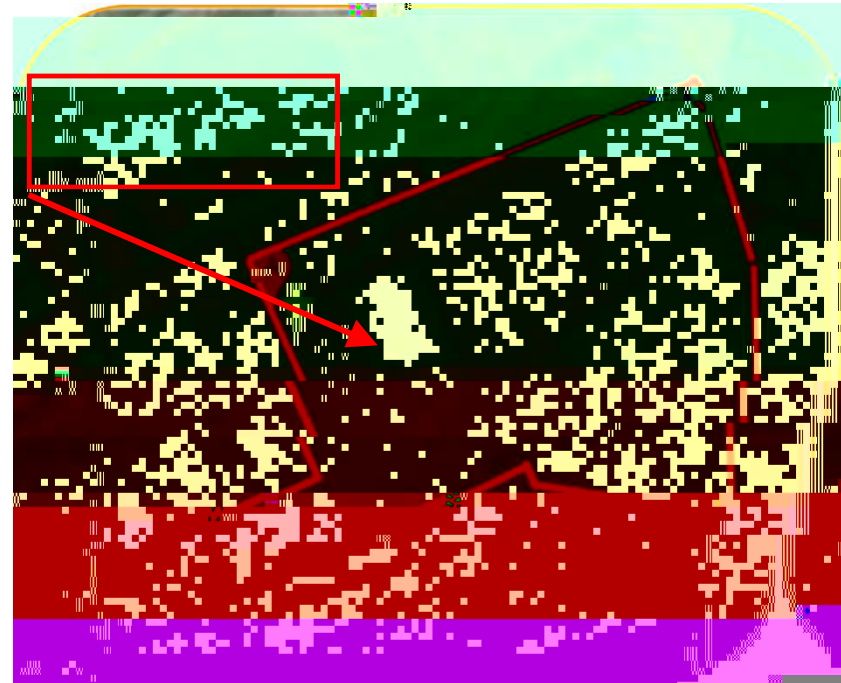
**8 years tax free and 5 years halved tax
incentives**

EIA approved, can be developed in stages

US Supply Chain focused

Capex estimated NT\$ 2.6 billion for Phase

**1
Thailand's Board of Investment is reviewing Yeong Guan's application in due process
Factory design being finalized**





Near Term(1-2 years)

Develop new customers with the global economic recovery

For 2021, we expect steady demand from Wind and growth from other industries, translating to a 5-10% growth of 185,000-194,000 tons output.

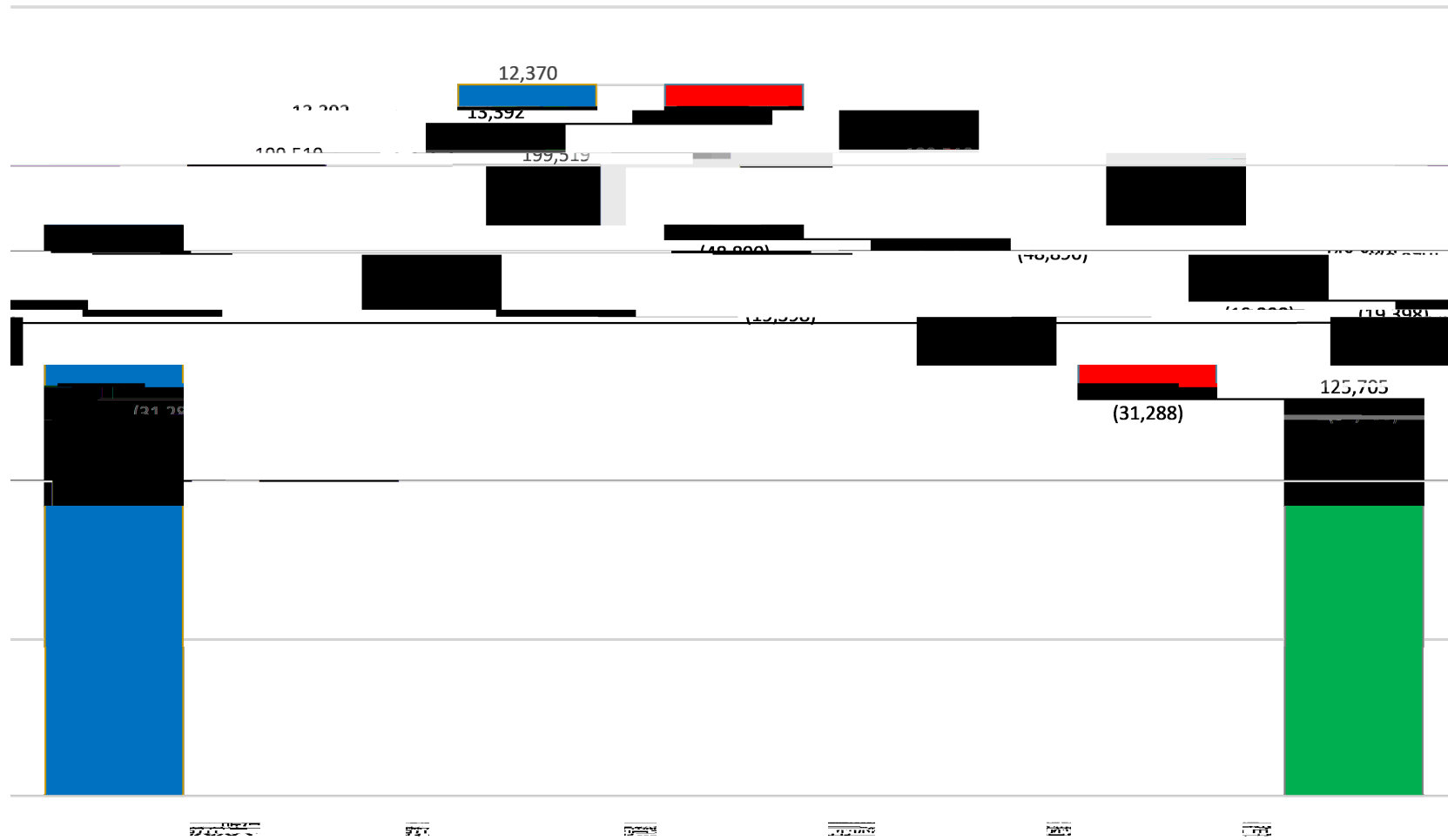
Taidung factory for wind castings production in 2022

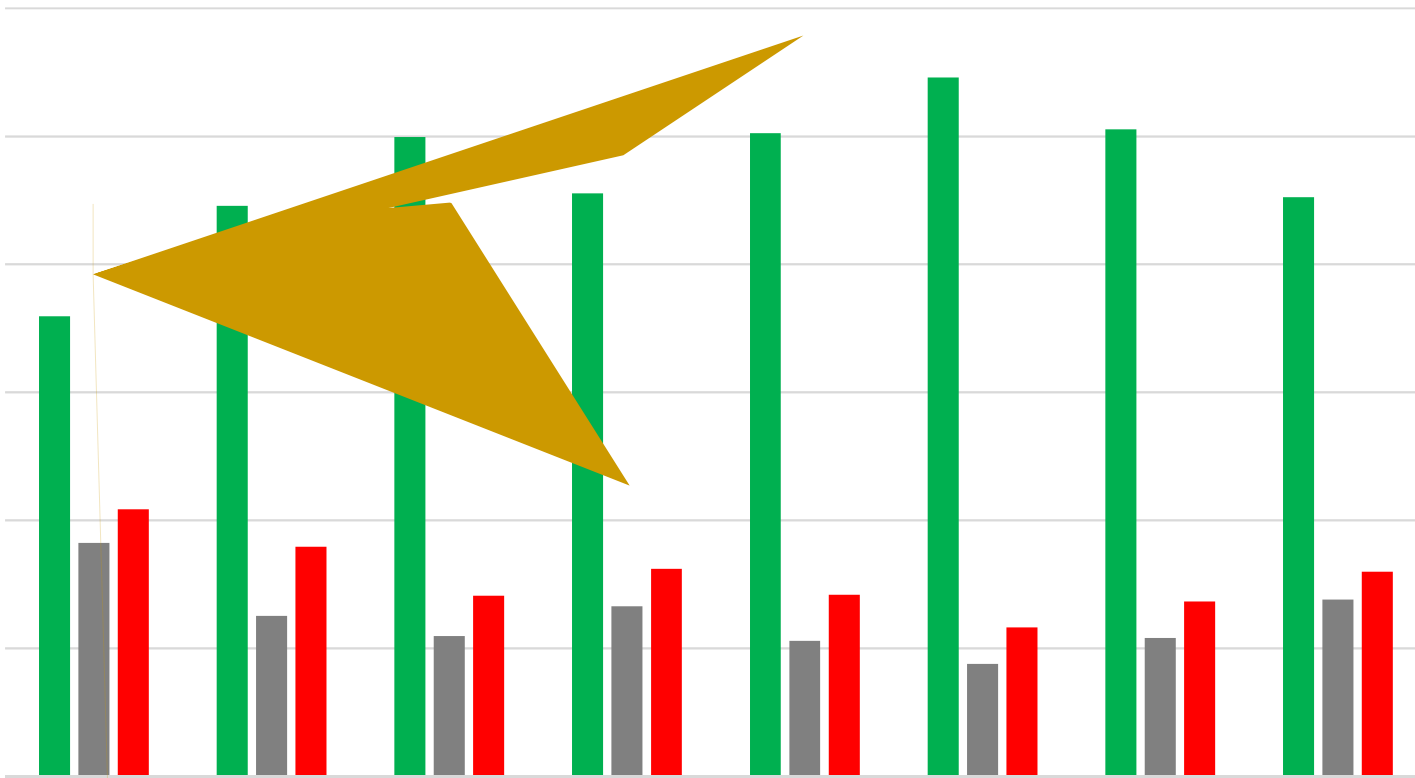
MdT

2021 Q1 Financial Highlights



2021 Q1 Net Earnings Analysis





2021 Q1 Income Statement

Unit: Thousand NID	1Q2021	4Q2020	QoQ	1Q2020	YoY
Revenue	2,145,708	2,487,809	-14%	1,130,199	90%
Gr !	\$				



2021 Q1 Balance Sheet

Unit: Thousand NID	1Q2021	4Q2020	QoQ	1Q2020	YoY
Total Assets	16,599,812	16,394,386	1.3%	13,269,779	25.1%
Cash	1,985,231	2,682,852	-27.9%	1,384,711	39.8%
NR&AR	3,540,410	3,516,934	0.7%	2,171,125	63.1%
Inventory	1,430,904	1,324,434	8.0%	1,310,458	6.7%
Total Non Current Assets	7,673,787	6,980,605	9.9%	6,603,537	16.2%

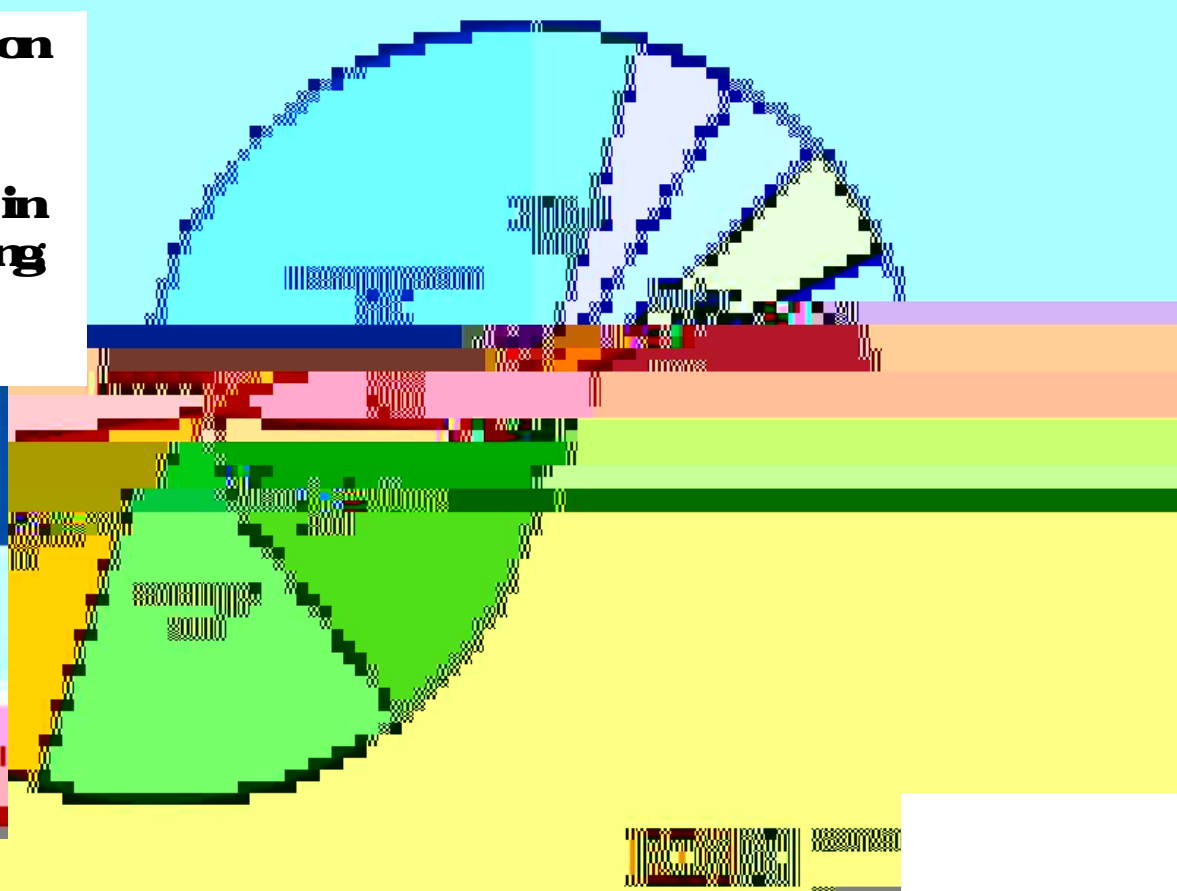
Market Trends

American Jobs Plan

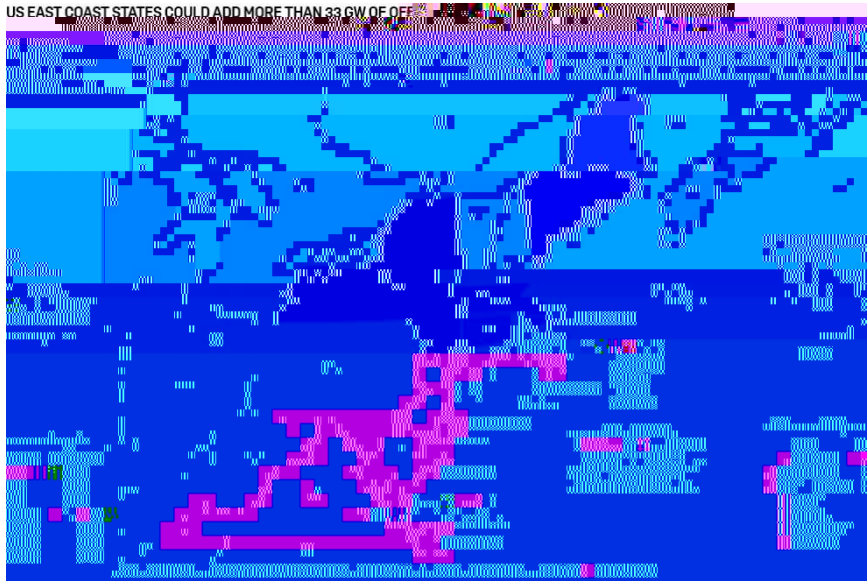


Biden announces USD2.28 trillion spending plan focused on job creation

Jobs plan includes investments in infrastructure and manufacturing which will drive demand for machinery



US Wind Market Developments



In 2020, US installed 17 GW of new wind energy, expects to add 21 GW more in 2021

Various States declares 2080 wind energy installation targets: New York 30 GW, California 30 GW, Virginia 12 GW, New



Biden Administration Achieve net zero greenhouse gas emissions by 2050. By 2030, reduce greenhouse gas emissions by at least 50% compared to 2005 levels.

Build 30 GW of Offshore Wind by 2030

US Department of Energy to spend USD 3 billion on offshore wind development

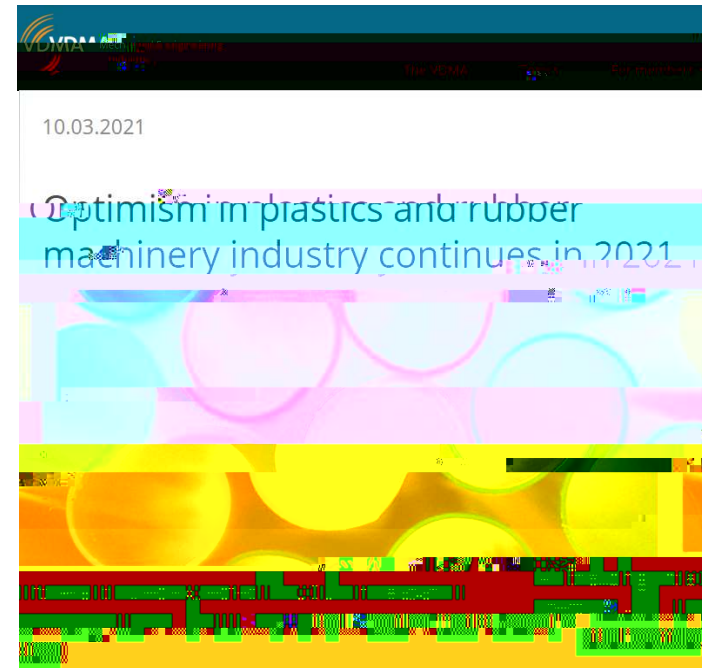
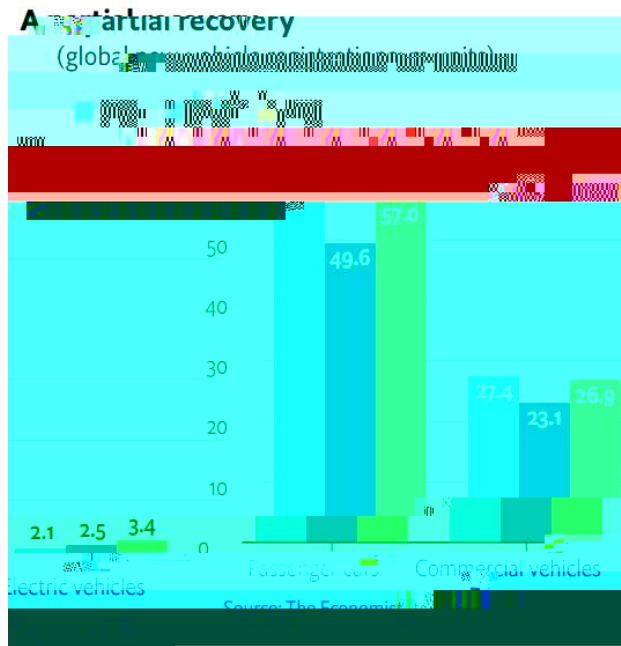


Plastic Machinery Industry Optimistic on 2021

Plastic Injection Molding industry serves automotive, consumer electronics, appliances, food packaging etc.

VDA data shows 7% growth in revenue for plastic/rubber machinery

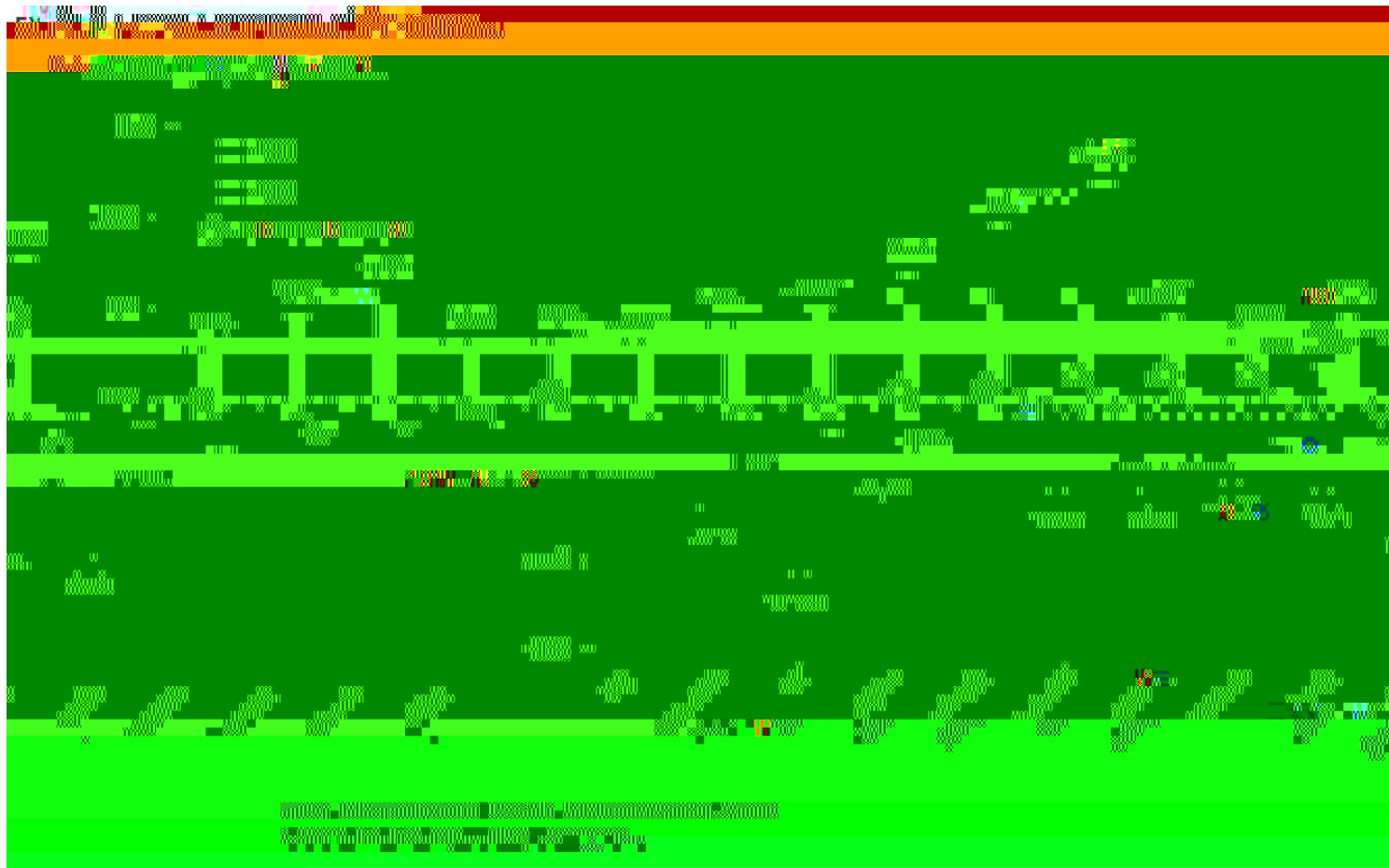
Growth in passenger/commercial vehicles, food packaging appliances sales



Asia Pacific Region Leads The Economic Recovery

Some Asian countries are expected in 2021 to achieve GDP growth from 2019 levels

During 2020, 75% of Yeong Guan sales came from the Asia Pacific region



Appendix





**Industrial
Machinery**



永冠集团
YONGGUANG GROUP

Quarterly Income Statement

